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Testimony Before Human Services Committee Concerning Raised Bill 197

Good Afternoon Senator Moore, Representative Abercrombie and members of the Human Services Committee,

My name is Liz Fraser, I am the Policy Director for the Connecticut Association for Human Services, a division of Advancing Connecticut Together. Thank you for this opportunity to provide testimony in support of Raised Bill 197.

TANF REFORM : We are very pleased that the Human Services Committee has raised Bill 197, extending the TAF time limit to 60 months. We support this bill and have several other recommendations.

We recommend that the progress made in 2022 remains in place, and also that the Temporary Family Assistance,(TFA),time limits be revised to a sixty month time period.

We ask that additional steps be taken to make TFA a stronger poverty relief program, and include the components and supports that actually will lead to economic self-sufficiency. To achieve this lapsed funds can be used to provide additional resources to the families the money is intended to assist.

Due to the hard work of this committee, TANF reform has begun. The 2022-23 CGA Biennial Budget included a provision requiring that lapsed TFA funds be put back into the program, and used to provide the required cost of living adjustment (COLA) increases for recipients. Additionally, the TAF family cap was eliminated from the TANF statute. These were the first small steps towards TANF reform, and demonstrated respect for TFA recipients, who are some of the most economically vulnerable families in the state.

Federal relief during the pandemic, including unemployment increases, a child tax credit, and stimulus payments, had a significant effect and moved many families to a better financial situation, and many children out of poverty; at least in the short term. However, despite the positive impact on families and the economy, that relief is gone. Lower income and poor working families with children are back to where they were pre-pandemic.

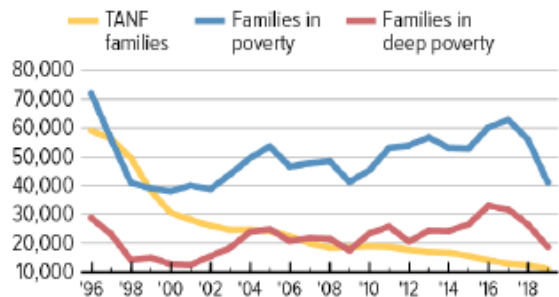
In contrast, this year, Connecticut has a filled rainy-day fund, is on track for a large budget surplus, and for those who can afford property, there is a proposal for property tax relief. In good conscience, now is the time to take the steps necessary to ensure there is a path to economic stability for every family, for every child. For the most economically challenged families, it begins with TANF reform, especially TFA, the only cash assistance program available for Connecticut families.

CONTEXT: Connecticut has historically used TANF funding for a myriad of worthy programs, but cash assistance is only about 7% of the total TANF budget, compared to the national average of 22%. ¹ Since 1996, the inflation indexed value of the TFA award has decreased by 34%.

Over the past 20 years the CT TFA cash assistance caseload has consistently declined, and at a much greater rate than the decline in poverty, or deep poverty. However, this is not due to the success of the program. It has more to do with eligibility income limits, how eligibility is determined, and the short time period that parents have to train and get a job.

Families with children	1995/96	2018/19
Receiving AFDC/TANF	59,035	11,180
In poverty	71,935	41,078
In deep poverty	28,785	18,689

Changes in AFDC/TANF Cases and the Number of Families with Children in Poverty and Deep Poverty in Connecticut



Meanwhile, there are still over 44,000 CT children living in **deep poverty**, or at 50% of the Federal Poverty Level, (FPL). ²The majority of these children are children of color. ³ Fewer and fewer families are getting the assistance they need; for their children to have a fighting chance, their parents need great support. Short of passing a comprehensive basic income support system, we need to reform TAF.

Increasing The Time Limits On TFA Eligibility: Research shows that reliable and stable support for a longer term (6 years) results in greater self-sufficiency and long-term benefit. Connecticut's 21-month time limit, even with the two possible extensions, is one of the most restrictive eligibility periods in the country, second only to Arizona. Twenty-one months may seem like a long time, but for families in crisis, this time period, even with possible extensions, does not provide enough time for them to address the multiple barriers that can prohibit supportable employment.

Crucial to being economically self-sufficient, parents need enough time to address lingering challenging issues and gain confidence, some income, and to actually plan for the future. Additionally, time is needed to acquire the skills, and education needed to secure a job with supportable wages. Many middle-class families expect their children to have 4 years or more of education. We give

¹ https://www.cbpp.org/sites/default/files/atoms/files/tanf_spending_ct.pdf

² <https://datacenter.kidscount.org/data/tables/10350-children-in-deep-poverty-50-of-fpl?loc=8&loct=2#detailed/2/any/false/1983,1691,1572,1376,1074,815/6455/19991,19992>

³ <https://datacenter.kidscount.org/data/tables/44-children-in-poverty-by-race-and-ethnicity?loc=8&loct=2#detailed/2/8/false/1729,37,871,870,573,869,36,868,867,133/10,11,9,12,1,185,13/324,323>

parents, who need training to support a family only short-term training opportunities. Many need to complete high school or receive some remediation services before being able to go through training. This does not lead to jobs that can move families up the economic ladder. This often leaves families with short-term relief, but long-term economic instability. A report by the Center on Budget and Policies documents that parents leaving TANF cash assistance programs were working, but not in jobs that could actually support a family.⁴

Lapsed funds would be well spent on extending eligibility, and providing stronger supports, including allowing extended education and training, with necessary child care, so that recipients could participate in a career pathway program leading to supportable employment. While the upfront cost will be more, the outcomes for both parents, children, and our economy, will provide a meaningful return on investment for families and for Connecticut.

70% Of FPL Should Be Used To Determine Family Eligibility: When a mom with two young children is living in deep poverty, the family income is \$11,515. This is not enough for basic necessities, let alone rent or transportation. Where are these families even living? Yet, under the current *Statement of Need*, (SON), eligibility formula, this family would still be earning too much income to be eligible for TFA assistance. This formula is far too constrictive, and is one reason why the number of families on TFA has decreased over the years.

The Standard of Need eligibility formula is a relic of past welfare systems. It does not keep up with inflation, so eligibility levels are extremely low. It is confusing, it has slightly different guidelines depending on where one lives, and it does not align with most other programs in the state.

A better approach is to use the Federal Poverty Level, (FPL) for TFA eligibility. The FPL is the standard measure used to determine program eligibility across many programs. Restructuring TFA eligibility to 70% of FPL serves several useful purposes; first it is just plain easier to understand, and will align with other programs, making the application process easier and more streamlined; it allows more families living in extreme poverty access to cash assistance; it is updated annually to be in sync with inflation, (unlike the SON); and it is a standardized measure across the state, eliminating confusion and additional administration costs.

Eliminate the Asset Test: The Asset Limit Test adds another layer of unnecessary difficulty of the TFA application process. And of course, this is about families in deep poverty, the likelihood that there is a lot of cash or tangible assets stashed away someplace is negligible. The process of proving that an applicant is “poor” is tedious for the applicant, and tedious to administrate.

Even at that, as families begin to earn additional dollars, they may want a car that is more reliable than one for \$9,000. Car repairs can quickly add to the cost, or more than the cost of an “inexpensive” car. Similarly, saving money is a responsible behavior. Yet we limit the amount of cash on hand to \$3,000. The way TFA is set up, parents are only allowed this small amount to save for the future or unforeseen expenses. It is counter-intuitive to limit savings, and provides just another barrier reaching family economic security. Removing limits would ease the application process and potentially reduce administrative costs of the program. Maybe we should trust families.

⁴ <https://www.cbpp.org/research/family-income-support/most-parents-leaving-tanf-work-but-in-low-paying-unstable-jobs>

Increase the Earned Income Disregards: An earned income disregard affects the income that families are allowed to keep before losing TFA eligibility. Currently families are allowed to earn over up to the federal poverty level before becoming ineligible. Living at the FPL is not close to being self-sufficient, which for a family of three is about \$23,000. It is easy to slip back into deep poverty. EID's is a tool that gives families a chance to save some money before they leave the program, and get off to a stronger start. An extended EID would allow a family to earn a set percentage over the eligibility cap, (100% of FPL), for a certain number of months, giving an added measure of security for families transitioning off of TFA.

Conclusion: The purpose of TFA is to provide cash assistance to the most economically unstable families, creating a pathway to family economic stability. Cash assistance works. As demonstrated by the federal child tax credit, cash in the pockets of parents has been proven to move children out of poverty and increase family stability. It helps families meet basic needs, can stabilize a family budget, promotes economic and racial equity, and can form the foundation for children to succeed all through life. TFA is the only cash assistance program in place, and is specifically for those families in the greatest of need.

Yet, from 2015-2019 there were approximately 97,000 Connecticut children, (13.3% of children) living below the federal poverty level.⁵ We have been serving fewer and fewer families, even though poverty, and especially child poverty has remained high. However, we also have the ability to really make a difference in the lives of these children.⁶ Over time, a reformed and robust cash assistance program would certainly provide increased opportunity to assist children living in poverty, and lower incidences of deep poverty throughout Connecticut. With investment, we can make a dent in this.

We ask that we do not keep leaving these families behind, unable to access the kind of life that we all would like for our own children.

⁵<https://datacenter.kidscount.org/data/tables/44-children-in-poverty-by-race-and-ethnicity?loc=8&loct=2#detailed/2/8/false/1729,37,871,870,573,869,36,868,867,133/10,11,9,12,1,185,13/324,323>

⁶file:///C:/Users/efraser_cahs/Downloads/Pathways%20to%20Prosperity_%20Report%20from%20a%20Convening%20on%20Economic%20Security%20for%20Families%20With%20Infants%20and%20Toddlers%20%20.pdf